

RESPONSE OF KEITH REOPELLE  
STATE ENVIRONMENTAL LEADERSHIP PROGRAM

Memorandum

December 9, 2003

TO: Lee Cullen, Chair, Governor's Task Force on Energy Efficiency and Renewable Energy

FR: Keith Reopelle, SELP

RE: Policy Proposals for consideration by the Task Force

Thank you Lee for soliciting input from the members on proposal ideas and the direction the Task Force might take to maximize it's efficiency and productivity. I have a couple of general thoughts and a number of specific suggestions.

First, I think it is critical that the task force build on what has already been accomplished in these two areas rather than rehashing debates we've had in the past. If we aren't diligent about building on the existing programs we could easily get bogged down and accomplish little, if anything.

Secondly, as was noted in the first meeting, time is of the essence if the committee's recommendations have any chance of resulting in actual policy changes. I think it is critical that the Task Force consider proposals in an order dictated by the timeline of the process needed to actualize a corresponding policy change. In other words, we need to take up proposals requiring legislation first since the current biennial session only runs through March. Proposals that can be implemented through executive order or rule making, on the other hand, are not as time sensitive and can be taken up later.

I suggest the following proposals in priority order, particularly in light of the my second point above:

Energy Efficiency:

1. Replenish Focus on Energy funding for this biennium in the budget adjustment bill. We also need, as others have suggested, to put mechanisms in place to ensure stable long-term funding for the public benefits law.
2. Bring building codes up to modern standards. There are several areas in which very large electricity savings could be realized if our building codes were brought up to state-of-the-art standards. Right now our commercial building codes are largely based on an International Energy Conservation Code that largely references the 1989 American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standards. The IECC 2003 standards

reference 1999 ASHRAE standards and should be the default minimum expectation for our commercial code. However, in many areas we could be doing much better than that. For example, the 2005 ASHRE standards will contain lighting power densities that have already been adopted by the Illuminating Engineering Society of North America.

3. Bolster building code infrastructure. Compared to upgrading the code standards themselves, there is probably as much, if not more, energy savings that could be realized by focusing on implementation and enforcement of the building codes including industry training, code instructor training and enforcement policies.
4. Appliance Standards. We need to look at both minimum appliance standards across the board as well as incentives to purchase higher end efficiency appliances such as Energy Star. A good place to start would be a requirement that all state purchases must be Energy Star. In the case of certain products it makes a great deal of sense to increase the minimum standards for all models sold in the state. A good example would be windows given that numerous high-end window manufactures are located within the state.
5. Sales tax credits and waivers for energy efficient equipment.
6. Public Service Commission policies to encourage utility investments in energy efficiency and conservation.

#### Renewable Energy:

1. Require a substantial increase in renewable energy generation by Wisconsin utilities. I will largely defer to Michael Vickerman's comments for the details here except to say that a wholly voluntary commitment to a target percent is relatively meaningless. The Governor has already expressed his interesting in seeing 10 percent of Wisconsin's energy come from renewable sources. It seems that the challenge for this group is to come up with the policies that move us closer to that goal.
2. Direct state government to purchase at least 10 and 15 percent of its electricity from renewable sources by 2010 and 2015 respectively.
3. Require a higher payback rate for distributed renewable generation purchased by utilities.
4. Amend the renewable the public benefits law so that the renewable set-aside dollars can be used to encourage business development opportunities that benefit the entire renewable energy marketplace.